STATE OF ARIZONA FILED

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STATE OF ARIZONA

DEPT OF INSURANCE
BY Mek 9/5/19

DEPARTMENT OF INSURANCE

In the Matter of:

MCCRAY, STEPHAN JOSEPH (National Producer Number 18918151)

Respondent.

No. 19A-050-INS

ORDER

On August 26, 2019, the Office of Administrative Hearings, through Administrative Law Judge Kay Abramsohn, issued an Administrative Law Judge Decision ("Recommended Decision"), received by the Director of the Department of Insurance ("Director") on August 27, 2019, a copy of which is attached and incorporated by this reference. The Director of the Department of Insurance has reviewed the Recommended Decision and enters the following Order:

- The Director adopts the Recommended Findings of Fact, Conclusions of Law and Recommended Order.
- The Director revokes the Arizona resident insurance producer license of Stephan Joseph McCray, National Producer Number 18918151, effective immediately.

NOTIFICATION OF RIGHTS

Pursuant to Arizona Revised Statutes ("A.R.S.") § 41-1092.09, Respondent may request a rehearing with respect to this order by filing a written motion with the Director of the Department of Insurance within 30 days of the date of this Order, setting forth the basis for relief under A.A.C. R20-6-114(B). Pursuant to A.R.S. § 41-1092.09, it is not necessary to request a rehearing before filing an appeal to Superior Court.

1 Respondent may appeal the final decision of the Director to the Superior Court of 2 Maricopa County for judicial review pursuant to A.R.S. § 20-166. A party filing an appeal 3 must notify the Office of Administrative Hearings of the appeal within ten days after filing 4 the complaint commencing the appeal, pursuant to A.R.S. § 12-904(B). DATED this 78 day of August, 2019. 5 6 7 Keith A. Schraad, Director 8 Arizona Department of Insurance 9 10 11 COPY of the foregoing mailed this 9th day of Suptember, 2019, to: 12 Stephan Joseph McCray 13 16404 N. Black Canyon Hwy. 14 Phoenix, AZ 85053 Respondent 15 Stephan Joseph McCray 16 1015 E. Apache St. Phoenix, AZ 85034 17 Respondent 18 Office of Administrative Hearings 19 1740 West Adams St., Lower Level Phoenix, Arizona 85007 20 **COPY** of the foregoing delivered, same date, to: 21 Mary Kosinski, Regulatory Legal Affairs Officer 22 Catherine O'Neil, Consumer Legal Affairs Officer Steven Fromholtz, Assistant Director - Consumer Protection Division 23 Aqueelah Currie, Licensing Supervisor Sharyn Kerr, Consumer Protection Division 24 Arizona Department of Insurance 100 North 15th Ave., Suite 102

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Phoenix, Arizona 85007-2624

1	COPY sent same date via electronic mail to:					
2	Stephan Joseph McCray					
3	azkiyyah.gordon@ttec.com Respondent					
4						
5	Deian Ousounov Assistant Attorney General					
6	AdminLaw@azag.gov Attorney for the Department of Insurance					
7	Susan Hack					
8	Susan.hack@azag.gov Attorney General Paralegal					
9	Felicia DelSol					
10	Felicia.DelSol@azoah.com					
11	Office of Administrative Hearings					
12	Francine Martinez					
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IN THE OFFICE OF ADMINISTRATIVE HEARINGS

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In the Matter of:

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¹ See Exhibit 1. ² See A.A.C. R2-19-117.

³ See Exhibit 1.

No. 19A-050-INS

ADMINISTRATIVE LAW JUDGE DECISION

HEARING: August 5, 2019.

MCCRAY, STEPHAN JOSEPH

(National Producer No. 18918151)

<u>APPEARANCES</u>: Assistant Attorney General Deian Ousounov represented the Arizona Department of Insurance ("Department").

Stephan Joseph McCray ("Respondent") did not appear).

ADMINISTRATIVE LAW JUDGE: Kay Abramsohn

Respondent

FINDINGS OF FACT

- 1. The Department issued a Notice of Hearing ("Notice") advising Respondent of a hearing date and time of August 5, 2019, at 1:00 p.m., at the Office of Administrative Hearings located at 1740 West Adams, Lower Level, Phoenix, Arizona. The Notice was sent to Respondent at a business address and at a residence address on record with the Department.¹
- 2. The Tribunal waited a minimum of 15 minutes to convene the hearing in order to afford additional time for Respondent; he failed to appear. Respondent had not contacted the Office of Administrative Hearings to advise of any reason for his absence or a delay, nor did he request to appear telephonically or that the hearing be continued. Therefore, the hearing proceeded in Respondent's absence.²
- 3. At all times relevant to this matter, Petitioner is and was licensed with National Producer Number 18918151 by the Department; that license will expire on December 31, 2020.³

³⁰ See Exhibit 2.

4. On September 19, 2018, Respondent had submitted an online application with the Department.⁴ In the application, Respondent answered "NO" to the following questions:

1A: Have you ever been convicted of a misdemeanor, had a judgement withheld or deferred, or are you currently charged with committing a misdemeanor? [certain exclusions follow].

1B: Have you ever been convicted of a felony, had a judgement withheld or deferred, or are you currently charged with committing a felony? [certain exclusions follow].

- 5. In the application, Respondent also answered "YES" to the Attestation portion, which would be his indication that, under the penalty of perjury, all of the information submitted in the application was "true and complete" and that the submission of false information or omitting information would be grounds for revocation or denial of a license.
- 6. The Department subsequently learned of an undesignated felony and a misdemeanor for which Respondent had been convicted in Maricopa County Superior Court, Case No. CR2017-114276, on August 30, 2017 and for which he was placed on probation (five years on the felony and one consecutive year on the misdemeanor).
- 7. The Department argued that Petitioner's License should be revoked based on Petitioner having provided false information on the application and falsely attesting that the application information was true and complete.

CONCLUSIONS OF LAW

- 1. This matter is a disciplinary proceeding wherein the Department must prove by a preponderance of the evidence that Petitioner violated the State's Insurance Laws. See A.A.C. R2-19-119.
- 2. Respondent's conduct, as set forth above and in the Notice of Hearing, constitutes a violation of A.R.S. § 20-295(A)(3) for obtaining an insurance license through misrepresentation or fraud.

3. Respondent's conduct, as set forth above, constitutes a violation of Title 20 or any rule, subpoena or order of the Director. Based on the foregoing, grounds exist for the Department's Director to suspend or revoke Respondent's License pursuant to A.R.S. § 20-295.

RECOMMENDED ORDER

IT IS ORDERED Respondent's National Producer License No. 18918151 is revoked on the effective date of the Department's Order entered in this matter.

In the event of certification of the Administrative Law Judge Decision by the Director of the Office of Administrative Hearings, the effective date of the Order will be five (5) days from the date of that certification.

Done this day, August 26, 2019.

/s/ Kay Abramsohn Administrative Law Judge

Transmitted electronically to:

Keith A. Schraad, Director Arizona Department of Insurance